



Market Performance Report for December 2008

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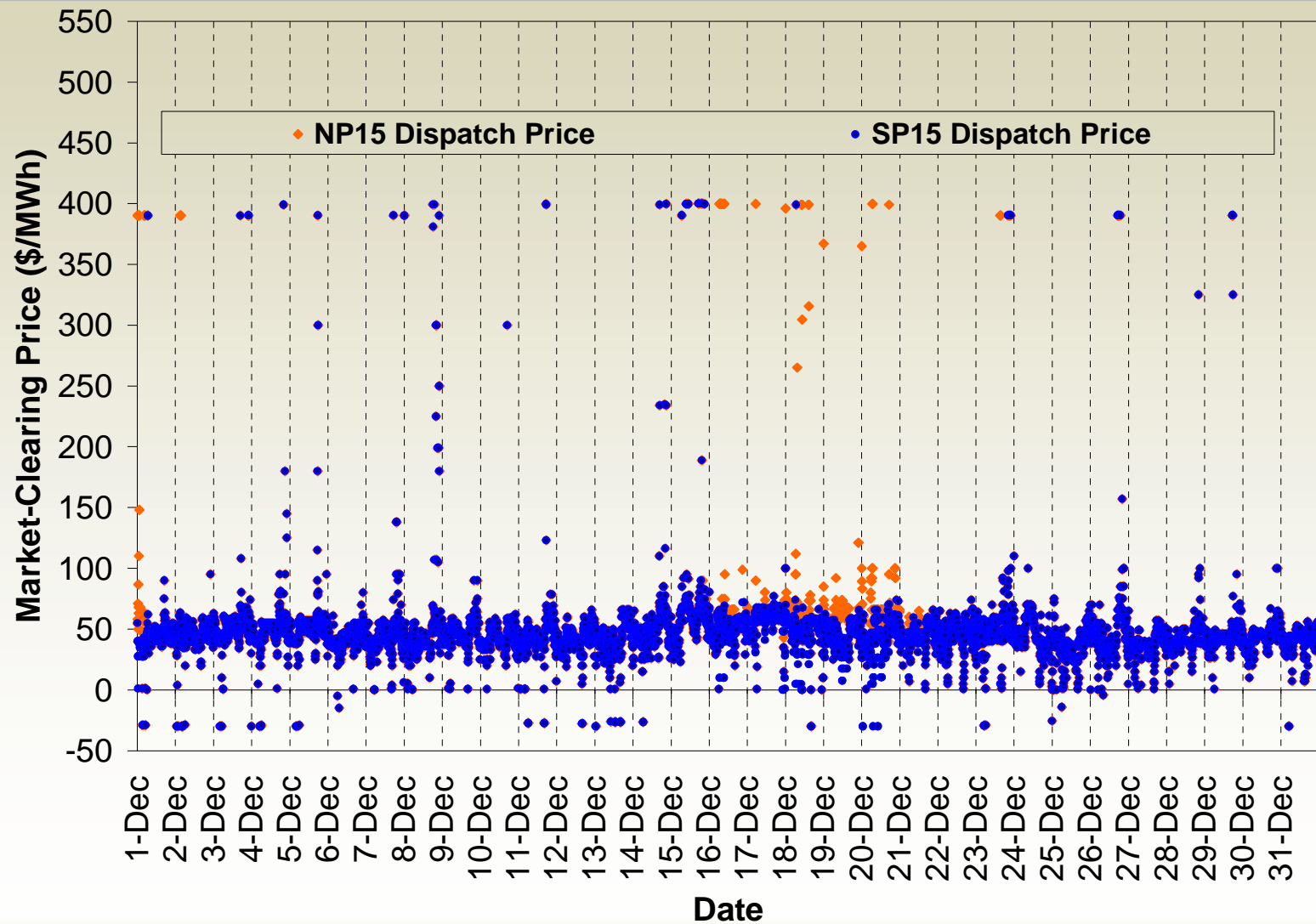
Market Highlights

- December was a quiet month.
- Frequent market separation between the 16th and 21st

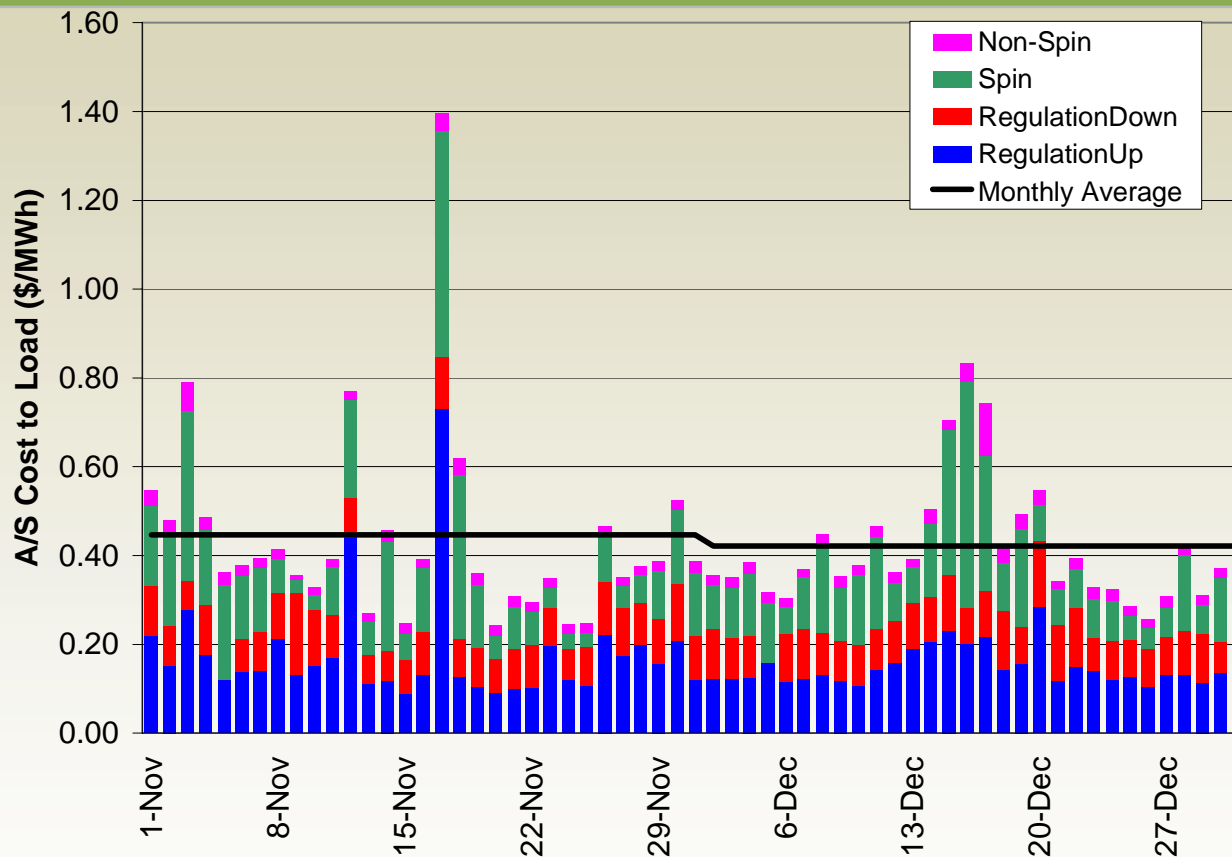
Monthly Market Performance Metrics

Monthly Metrics	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Average Gas Price	\$7.00	\$7.78	\$8.31	\$9.09	\$9.96	\$9.98	\$11.78	\$10.00	\$7.79	\$6.38	\$5.26	\$5.49	\$5.72	\$8.04
Average On-Peak Contract Price	\$70.41	\$76.90	\$77.52	\$84.41	\$97.74	\$89.18	\$106.61	\$105.00	\$84.85	\$68.45	\$55.94	\$53.91	\$56.83	\$79.06
Average Real-Time Price	\$62.84	\$70.64	\$66.07	\$75.88	\$89.10	\$64.21	\$86.18	\$81.27	\$75.10	\$63.09	\$51.34	\$37.68	\$50.55	\$67.23
No. of Price Spikes Over \$250	122	192	192	171	225	195	465	165	247	192	137	204	130	203
Costs Incurred over \$250 (percent)	29%	28%	26%	21%	25%	25%	36%	23%	36%	36%	25%	38%	26%	29%
AS Cost (\$ per MWh)	\$0.50	\$0.45	\$0.63	\$0.73	\$0.77	\$1.18	\$1.92	\$0.99	\$0.48	\$0.39	\$0.45	\$0.45	\$0.42	\$0.72
RA Unit Commitment Costs (\$M)	\$5.0	\$7.0	\$4.0	\$4.0	\$5.0	\$16.0	\$14.0	\$13.0	\$10.0	\$9.0	\$6.0	\$11.0	\$6.5	\$8.5
FERC Unit Commitment Costs (\$M)	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.5	\$0.0
Inc OOS Redispatch Costs (\$M)	\$3.1	\$3.4	\$3.0	\$2.9	\$1.8	\$12.0	\$3.2	\$4.3	\$2.2	\$3.1	\$4.1	\$3.1	\$4.1	\$3.9
Dec OOS Redispatch Costs (\$M)	\$1.2	\$2.3	\$2.5	\$1.1	\$0.6	\$1.7	\$1.7	\$1.6	\$3.4	\$2.0	\$1.1	\$2.0	\$1.1	\$1.7
Total Interzonal Congestion (\$M)	\$12.3	\$6.1	\$1.9	\$9.0	\$4.5	\$18.2	\$56.7	\$14.2	\$4.9	\$7.6	\$15.3	\$26.0	\$11.4	\$14.5

The number of price spikes fell to 130 from 204



Ancillary services cost to load down to \$0.42 from \$.45



	Average Procured (MW)				Weighted Average Price (\$/MW)			
	RU	RD	SP	NS	RU	RD	SP	NS
Nov 08	395	356	771	785	\$ 11.42	\$ 6.66	\$ 4.70	\$ 0.78
Dec 08	392	354	837	849	\$ 9.61	\$ 7.27	\$ 4.44	\$ 0.85
	-0.7%	-0.3%	8.6%	8.2%	-15.9%	9.2%	-5.4%	8.0%

Inter-zonal congestion costs fell to \$10.4 million from \$26 million

